

ORIGINAL
OPEN MEETING



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MEMORANDUM

Arizona Corporation Commission

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TO: THE COMMISSION

FROM: Utilities Division

DATE: December 24, 2003

DOCKETED BY

RE: VERIZON CALIFORNIA, INC. – TARIFF FILING TO REPLACE CONCURRENCE
LANGUAGE WITH ITS OWN TARIFF (DOCKET No. T-01846B-03-0710)

On September 26, 2003, Verizon California, Inc. ("Verizon" or "Company") filed tariff revisions to replace tariff language that concurs in Qwest Corporation's tariff for MTS, WATS and the Arizona Universal Service Fund with its own tariff. In the cover letter attached to the proposed tariff changes, Verizon indicated that it would provide Staff with confidential information that supports the filing under a protective agreement. On October 24, 2003, the Commission, in Decision No. 66467, suspended the filing for a period of ninety days.

Staff has received the confidential information and reviewed the filing. Staff has determined that Verizon's proposed changes to the long distance rates would result in an increase in rates. Staff also determined that Verizon has not submitted a request to classify its long distance services as competitive. Such a classification would allow Verizon to revise its long distance rates on a streamlined basis, rather than having to meet the standard rate increase filing requirements.

Staff has suggested to Verizon that it make an application to have its long distance services classified as competitive. Staff believes that Verizon's toll service can probably be classified as competitive, but does not have all of the information necessary to make a supportable recommendation. Verizon is in the process of determining whether it will file for competitive service classification of its MTS and WATS service. Therefore, Staff recommends that the filing be suspended for an additional period of ninety days.

Ernest G. Johnson
Director
Utilities Division

EGJ:WMS:red\CCK

ORIGINATOR: Wilfred Shand, Jr.

COMMISSIONERS
MARC SPITZER - Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON
KRISTIN K. MAYES



BRIAN C. MCNEIL
Executive Secretary

ARIZONA CORPORATION COMMISSION

December 22, 2003

Ms. Susan K. Miller
Manager-Regulatory Affairs
Verizon California, Inc.
112 South Lakeview Canyon Road, CA501GC
Thousand Oaks, California 91362-3811

Dear Ms. Miller:

Enclosed are the Commission Staff's transmittal memorandum and proposed order for Verizon California, Inc.'s tariff filing to replace tariff language that concurs in Qwest Corporation's tariff for MTS, WATS and the Arizona Universal Service Fund with its own tariff (Docket No. T-01846B-03-0710). This is only a Staff recommendation to the Commission; it has not yet become an order of the Commission. The Commission can decide to accept, amend or reject Staff's proposed order.

This matter is scheduled for Commission deliberation at its Open Meetings scheduled January 13, 2004, at 10:00 a.m. and January 14, 2004, at 10:00 a.m.

If you have any questions about this matter, please contact Wilfred Shand, Jr. of our Staff at (602) 542-0830, or me, at (602) 542-0745.

Sincerely,

A handwritten signature in black ink, appearing to read "E.G. Johnson", with a long, sweeping horizontal line extending to the right.

Ernest G. Johnson
Director
Utilities Division

EGJ:WMS:red

Enclosures

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 MARC SPITZER

Chairman

3 WILLIAM A. MUNDELL

Commissioner

4 JEFF HATCH-MILLER

Commissioner

5 MIKE GLEASON

Commissioner

6 KRISTIN K. MAYES

Commissioner

8 IN THE MATTER OF VERIZON
9 CALIFORNIA, INC. – TARIFF FILING TO
10 REPLACE CONCURRENCE LANGUAGE
11 WITH ITS OWN TARIFF

} DOCKET NO. T-01846B-03-0710

} DECISION NO. _____

} ORDER

12 Open Meeting
13 January 13 and 14, 2004
14 Phoenix, Arizona

15 BY THE COMMISSION:

16 FINDINGS OF FACT

17 1. On September 26, 2003, Verizon California, Inc. ("Verizon" or "Company") filed tariff
18 revisions to replace tariff language that concurs in Qwest Corporation's tariff for MTS, WATS and the
19 Arizona Universal Service Fund with its own tariff.

20 2. In the cover letter attached to the proposed tariff changes, Verizon indicated that it
21 would provide Staff with confidential information that supports the filing under a protective agreement.
22 No protective agreement had been executed at that time.

23 3. On October 24, 2003, the Commission, in Decision No. 66467, suspended the filing for
24 a period of ninety days.

25 4. Staff has received the confidential information and reviewed the filing. Staff has
26 determined that Verizon's proposed changes to the long distance rates would result in an increase in
27 rates. Staff also determined that Verizon has not submitted a request to classify its long distance
28 services as competitive. Such a classification would allow Verizon to revise its long distance rates on a
streamlined basis, rather than having the meet the standard rate increase filing requirements.

Decision No. _____

5. Staff has recommended that the filing be suspended for an additional period of ninety days.

1. Verizon is a public service corporation within the meaning of Article XV, Section 2, of the Arizona Constitution.

3. The Commission, having reviewed the filing and Staff's Memorandum dated September 24, 2003, concludes that it is in the public interest to suspend the filing for an additional period of ninety (90) days.

[illegible]

ORDER

THEREFORE, IT IS ORDERED that this filing be and hereby is suspended until and including April 22, 2004.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2004.

BRIAN C. McNEIL
Executive Secretary

DISSENT: _____

DISSENT: _____

EGJ:WMS:red

Decision No. _____

SERVICE LIST FOR: Verizon California, Inc.
DOCKET NO. T-01846B-03-0710

Ms. Susan K. Miller
Manager-Regulatory Affairs
Verizon California, Inc.
112 South Lakeview Canyon Road, CA501GC
Thousand Oaks, California 91362

Mr. Ernest G. Johnson
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Mr. Christopher C. Kempley
Chief Counsel
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007